

SIMMONS' WORK FOR REGISTRY OF FOREIGN-BUILT VESSELS

Senior Senator Made Able Argument for Bill, Taking Position that Needs of Farmer in Connection With Ocean Transportation Demanded Such Legislation

The speech that Senator F. M. Simmons made in the Senate on August 7 when that body had under consideration the bill to provide for the admission of foreign built ships to American registry for the foreign trade and other purposes, showed that the senior Senator was looking to the need which the Southern cotton farmer would have to get his cotton promptly carried across the ocean to any place where there might be some demand for it, to the end that the price should not be depressed to ruinous figures. Mr. Simmons took the view that the proposed law would greatly help the cotton grower and argued vigorously for its adoption. In opening his address he said:

"Mr. President, 'I feel impelled, rather reluctantly, to occupy the time of the Senate in the further discussion of this measure. The situation of my section of the country, and, I think of the whole country, with reference to this matter of emergency transportation is far more serious, in my judgment, than some Senators in this chamber seem to think."

"A few days ago the brilliant senior Senator from Mississippi (Mr. Williams) took the position that in order to relieve the present situation as an emergency matter the government should acquire and operate sufficient ships to accommodate the necessities of our commerce. On yesterday the genial and whole-souled Senator from New Jersey (Mr. Martine) went a step further and advocated as a permanent government policy the ownership and operation of our deep-sea merchant marine."

"The Senator from Massachusetts (Mr. Weeks), in commenting upon the position of these two Senators, called the attention of the Senate to our experience in dealing with a similar emergency during the Spanish-American war. He told the Senate that in order to supply the navy with sufficient colliers and transports it became necessary for the government to invest about \$17,000,000 in the purchase of that character of vessels, and that when the war closed and the emergency had passed it was necessary to sell those vessels at about 25 cents on the dollar, so that the government lost probably eleven or twelve million dollars."

Save Farmers From Disaster.

"Mr. President, I want to say that while not at all committing myself to the suggestions of the Senator from Mississippi or the Senator from New Jersey, if means cannot be provided in any other way by which the farmers of this country can be saved from the imminent disaster which confronts them unless they can send their surplus products to the European markets I would, as an emergency measure, favor the interposition of the government for the purpose of preventing such a national calamity. In that situation I believe it would be the duty of the Government to come to the relief of the people, even if it had to go to the extent of buying and operating the necessary ships for the purpose of accommodating our foreign trade. I hope, however, it will not be necessary to resort to such extreme measures."

"I repeat, Mr. President, I am afraid the gravity of the situation which now confronts us in this regard is not fully understood by Senators. We have probably the greatest crops of our history. After supplying our own demand, the surplus will be enormous. This is especially true with reference to wheat, tobacco, and cotton. If we can find a market for this surplus abroad at the high prices that will obtain abroad on account of war conditions, it would mean widespread prosperity to the American people. But if we can find a market for this surplus, instead of being an asset of prosperity it may become an asset of adversity."

"The one condition necessary for reaching these markets is ocean transportation. If we cannot get this transportation and have to rely upon the domestic demand for these surplus products, the price will be so adversely affected that in place of profit there will be loss."

"We have over 300,000,000 bushels of wheat for export. We have between 50,000,000 and 60,000,000 worth of tobacco for export. We have 8,000,000 or 9,000,000 bales of cotton for export. There will be a demand for all of this tobacco and wheat at war prices. While there will not be as great a demand for raw cotton as in normal conditions, still there will be a reasonable demand. With ships to take these products abroad there will be a stream of foreign gold coming into this country which would quicken every industry and bring forth conditions of great industrial activity and business prosperity."

"Without ships, as I said before, this surplus will glut the domestic market and pull down the level of prices to a point where stagnation and disaster will be inevitable."

"This is not only true with reference to agricultural products, but the situation in Europe offers to our manufacturers an opportunity in the neu-

tral markets of the world they have never heretofore enjoyed, and which if they can now take advantage of will not only enable them enormously to expand their output but to secure a firm foothold where heretofore they have been compelled to struggle even to secure the most limited recognition."

There occurred here a running debate between Senator Simmons and other Senators in which he defended and elaborated his position, resuming the thread of his discourse later on as follows:

"Assuming that the present conditions shall continue, that the merchant marine of the belligerent countries of Europe is withdrawn from traffic with us, that we are compelled to rely upon our own transportation facilities, and that we are not able to devise means and methods to secure adequate transportation facilities, either separately, through the individual efforts of our citizens, or in conjunction with such help as we can get from Europe in the conditions which exist there, I insist that not only the agricultural but the manufacturing and commercial interests of this country will be confronted with a situation which calls for the exercise of every power and resource of the government to safeguard the public welfare against the disastrous consequences which will inevitably follow."

"Mr. President, reverting to the cotton situation, I said that was somewhat differentiated from the situation with reference to tobacco, wheat, and other food products. The demand in Europe for these latter products will be as great in time of war as in time of peace, while the price will be higher, so that if we had transportation there would be no trouble about finding a market for our enormous surplus of these products. That is not true with reference to raw cotton. As a result of the war the demand in Europe for our raw cotton will be, I think, unquestionably diminished. I do not mean all European factories will be closed. In many countries in Europe, like Italy and perhaps England, the demand will not be interfered with to any serious extent. In Germany and France the inference will be greater. The net result will be a considerable decrease in the European demand. That may beget an increased demand for raw cotton in our own country. It may, and I think undoubtedly will, result in opening to us new markets and lead to increase in the output of our cotton mills. But I think it is safe to say that with the great crop we have raised this year there will not be the usual demand for the whole output of our cotton fields and we may be compelled to protect this staple, to provide for carrying over a part of this crop to the next year. This will call for money. I think this part of the situation will be amply met. I think the banks of the South, with the money which can be secured under our new currency legislation, will be able to take care of this part of the emergency."

Conditions Affect Demand.

"Mr. President, I do not suppose that the cotton crop of this year will be in excess of the world's demand in normal conditions, but the condition which exists throughout Europe will necessarily affect this demand. First, because it will place a limitation upon the activities of European spindles, and, secondly, the consumption of those countries, which, of course, constitutes a considerable part of the world's consumption of cotton goods, will be materially lessened. If the war is of short duration, I should say that there will be no great difference between the supply and the demand. If it is of long duration, I think the supply will greatly exceed the demand. In any event the present disturbance suspends the present demand for raw cotton in this country to such an extent that unless relief can be secured through withholding from the market, temporarily at least, a part of the present crop, the effect upon the price of this commodity will be a matter of very serious consequence not only to the cotton producers but to the country at large."

"Of course it is out of the question to think of withholding from the market for any considerable length of time that portion of the crop which Europe usually takes, and if we cannot secure transportation so as to deliver to the spindles of Europe such part of the present crop as can in present conditions be utilized, the effect upon the price of raw cotton will be far reaching, not to say disastrous."

At this point Senators interrupted to ask for enlightenment on various phases of the subject and Senator Thomas of Colorado, having expressed the view that there would be a great demand for cotton in Europe in spite of the war, Senator West, of Georgia, said:

"I should like to say that I am fearful that the Senator from Colorado takes a too roseate view of the situation as it affects the cotton crop. Europe ordinarily uses about 60 per-

cent of the American cotton crop, leaving the other 40 per cent for America and Canada. England uses, under normal conditions, about one-third of the amount which goes abroad, which would leave unused and on our hands 40 per cent of the amount which normally goes abroad, outside of the 40 per cent we use and the one-third imported that England uses, assuming that her mills will run in a normal way. Then what does that leave on our hands of the American cotton crop? It leaves 40 per cent, and 40 per cent of the American cotton held back from a 14,000,000 bale crop would amount to 5,600,000 bales; and that amount of cotton held back in this country, in my judgment, would put the price of cotton down to 5 or 6 cents, and if the war continues our only salvation in the South would be to go to planting grain."

Manufacturers' Big Chance.

Senator Simmons then resumed: "Mr. President, so far as the manufacture of cotton is concerned, this situation, if we can get transportation facilities, offers the cotton manufacturers of the United States the greatest opportunity that they have ever had. Given the factories and the money to operate them and the ships to carry their product to the neutral markets of the world—to Central America, South America, the West Indies, and the Orient—instead of manufacturing in this country one-third of the raw cotton that we produce in the South we might find a ready demand for a much greater percentage of our raw cotton to supply our own mills, and we might enormously increase the output of cotton goods in the South and New England."

"Mr. President, I hope the time may come, and I believe the time will come, when the United States will manufacture the bulk of the raw cotton we produce in this country, and the coming of that time will be greatly hastened if we shall take advantage of the opportunities this situation affords."

"I do not take, as the junior Senator from Mississippi suggests, a pessimistic view of the present situation. I take an optimistic view of it. I believe with the Senator from Mississippi that the war cloud will roll over even sooner than we expect. I believe if the war cloud does not roll over, if this is a long and protracted war, that many of the mills of England, Italy, and France will continue to operate and to consume our raw cotton."

"But we all know that war operates to curtail their activities under most favorable conditions, and to my mind we would be criminally neglectful and unmindful of our duty to the farmers and the manufacturers of this country if we did not do everything possible to safeguard their interests. The first condition to this end is to provide adequate ocean transportation. If, confronted by this condition, we sit idly by and hug the hope and the expectation, though there may be just and reasonable grounds for hope that Europe, because of her necessities, will come to our relief and take care of this situation, we shall be criminally neglectful in our duty to our constituents."

Unsafe to Rely on Foreign Ships.

Answering the suggestion of Senator Williams that enough foreign vessels might come to American shores to handle such commodities as the United States might desire to ship to Europe, Senator Simmons said:

"What I intended to say and all I intended to say with reference to that matter is that, so far as our wheat crop is concerned, so far as our cotton crop is concerned, so far as our tobacco crop is concerned—and I will say, by way of passing, that we now sell abroad about 50,000,000 pounds of our leaf tobacco annually—an enormous loss will result unless this necessity for transportation is provided for in some way, either by the countries of Europe coming to our aid or otherwise. They have withdrawn practically all aid at present, and we do not know when they will return to the seas with their merchant vessels; and if they do return we have no assurance that they will for a long time to come be able to supply a sufficient number of ships to answer our requirements. It takes an enormous number of ships to supply the needs of our export trade. Last year there were cleared from this country for Europe about 19,000,000 tons of merchandise; and Europe's releasing a part of her merchant ships and returning them to the channels of trade while others are impressed into service or tied up will not supply the demand. If the war continues more than two or three months I am afraid she will not be able to help us to anything like the extent that the exigency of the situation requires."

Time to Act.

"Mr. President, the point I am making is that it is our duty to do something ourselves and not to rely altogether upon the possibility of a situation in Europe different from that which now exists. What will be our loss if we should not get these ships in time to move our crops and merchandise to relieve the home congestion and to take advantage of the opportunities of enlarging our export trade in neutral markets I do not know. But that it will be enormous goes without saying."

"I want to repeat, Mr. President, if, in the face of this situation, we cannot get ships in any other way I would be in favor of the proposition of the Senator from Mississippi that the government come to the relief of the people, and itself buy and operate

the necessary number of ships to supply the demand."

"Suppose that should happen which the Senator from Massachusetts (Mr. Weeks) said did happen in connection with our emergency purchases to supply the needs of our government in the Spanish-American war, when we lost \$12,000,000 by the transaction. Suppose the same situation disclosed itself with reference to the government purchase of ships for this emergency. Suppose she has to invest a hundred million dollars to do it, and suppose, when the emergency passes and she disposes of these ships, there is saddled upon us a net loss of \$75,000,000. Mr. President, what is \$75,000,000 spent by the government—which means spent by the people, for the government is nothing but the people—to protect the farmers and the merchants and the manufacturers of this country from a state of bankruptcy? This sum, great as it would be, would be a mere bagatelle compared with the alternative loss."

Revive Merchant Marine.

"I believe as firmly as I have ever believed anything in my life that if this bill shall pass it will be the entering wedge to a revival of the merchant marine of this country, and that, with such help as we will be able to get from other directions, it will largely supply the demand for transportation in the present emergency."

"Senators say there will be no ships brought under the American flag if this bill passes, because they say that since the passage of the Panama Canal act, allowing American registry to ships under five years old, not a single ship has been bought and registered under that act. Mr. President, why have no ships been bought and registered under that act? Because in the conditions which existed in ocean transportation since the passage of that act there was practically no chance for a vessel not in the combine. There was never a more merciless or far-reaching or comprehensive trust or combination upon the face of the earth than the Shipping Trust, which has for years controlled or dominated ocean transportation—a trust that maintains a fighting fleet to destroy by undercutting in prices every independent vessel that may essay to engage in foreign trade."

"In those conditions, of course, no ships were bought under that act; but those conditions do not exist now. The ships owned by the trust are tied up, and as long as this emergency exists probably a large part of them will continue tied up—enough to break the hold of the monopoly. If some of them are released and enter into the trade again, they will be so inadequate to the demands of transportation that there will be an opportunity for an independent ship to live until it can get a firm foothold. I believe we will find, as soon as this bill is passed, that ships will be bought, and they will be brought under American registry."

How Manufacturers Affected.

Mr. Simmons here effectively answered the argument that the proposed law would cause complications with foreign nations and concluded with the following paragraphs showing how enlarged shipping facilities would help the manufacturers:

"I have already spoken about the farmers, and I will not repeat that. Now take the situation of the manufacturer. If the war continues, I think the probabilities are that the cotton manufactures of this country will enormously expand, because we will have such an advantage in the neutral markets of the world over Europe, from which they have heretofore gotten their supply. I think that the demand for many other manufactured products of this country will be enormously enhanced, because the doors of the neutral markets of the world will be thrown open to us in a way that they never have been thrown open to us before."

"When we went to South America with our manufactured products, and when we went to the Orient with our manufactured products, we had to meet there the competition of the manufactured products of Germany and England and France and Belgium, and in addition we were handicapped by the fact that these competitors of ours controlled our ocean transportation. We had to go to them for our transportation, and having to go to them for our transportation, we not only had to meet their sharp competition but we had to meet it under the disadvantages which a competitor controlling your transportation will always, by some device or other, be able to put you under."

"The manufacturers of this country will, if we can get these ships, be relieved in a measure from this competition in the first instance, for a time at least, and until they can get a foothold in those markets, and they will be relieved from the handicapping conditions of having to go to their competitors to get their transportation."

DR. POTEAT TO SPEAK.

President of Furman University at Winston-Salem.

Winston-Salem, Sept. 26.—Dr. Edwin McNeil Poteat, president of Furman University, will preach the dedicatory sermon of Brown Memorial church tomorrow morning at 11 o'clock. At 3:30 in the afternoon he will speak under the auspices of the Y. M. C. A. at the association building on "The Christian Interpretation of the European War." This is the first of a series of lectures which will be delivered at the association during this fall and winter.